

HATFIELD JAMES R  
Form 4  
February 23, 2010

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
HATFIELD JAMES R

2. Issuer Name and Ticker or Trading Symbol  
PINNACLE WEST CAPITAL  
CORP [PNW]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
400 N. FIFTH STREET  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
02/19/2010

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
SVP, CFO & TREAS, PNW & APS

PHOENIX, AZ 85004

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock	02/19/2010		M		1,000 A \$ 14,218	D	
Common Stock	02/19/2010		F(2)		436 D \$ 37.37 13,782	D	
Common Stock	02/19/2010		M		1,000 A \$ 14,782	D	
Common Stock	02/19/2010		F(2)		436 D \$ 37.37 14,346	D	
Common Stock	02/19/2010		M		875 A \$ 15,221	D	

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Common Stock	02/19/2010	F <sup>(2)</sup>	382	D	\$ 37.37	14,839	D	
Common Stock						907	I	by 401(k)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Pr Deriv Secur (Instr. 3)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Stock Units	<u>(1)</u>	02/19/2010		M	1,000	<u>(3)</u>	<u>(3)</u>	Common Stock	1,000
Restricted Stock Units	<u>(1)</u>	02/19/2010		M	1,000	<u>(4)</u>	<u>(4)</u>	Common Stock	1,000
Restricted Stock Units	<u>(1)</u>	02/19/2010		M	875	<u>(5)</u>	<u>(5)</u>	Common Stock	875

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HATFIELD JAMES R 400 N. FIFTH STREET PHOENIX, AZ 85004			SVP, CFO & TREAS, PNW & APS	

## Signatures

/s/ Diane Wood,  
Attorney-in-Fact

02/23/2010

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Each restricted stock unit represents a contingent right to receive one share of the Company's common stock or the cash equivalent on the date the restricted stock unit vests.
  - (2) The Company withheld shares for the purpose of meeting tax withholding requirements. Mr. Hatfield retained all other shares.  
This restricted stock units award was granted and effective in October 2008 and vests as follows: 500 restricted stock units in February 2009; 1000 restricted stock units in February 2010; and 1000 restricted stock units in February 2011. Since February 20, 2010 was a Saturday, the restricted stock units were released on February 19, 2010.
  - (3) This restricted stock units award was granted and effective in October 2008 and vests as follows: 500 restricted stock units in February 2009; 1000 restricted stock units in February 2010; 1000 restricted stock units in February 2011; and 1000 restricted stock units in February 2012. Since February 20, 2010 was a Saturday, the restricted stock units were released on February 19, 2010.
  - (4) This restricted stock unit award was granted and effective in February 2009, and vests in four equal annual installments, beginning on February 20, 2010. Since February 20, 2010 was a Saturday, the restricted stock units were released on February 19, 2010.
  - (5)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.